



ADAPTIVE
THINKING:
AN ESSENTIAL
SKILL FOR
LEADERS



Organizations and their leaders have been grappling with the need to adapt to constant change for many years now. Emerging competitors, digital disruption, increasing regulatory and public scrutiny have created a need to continuously innovate and anticipate consumer demands. Then the Covid-19 pandemic happened, fundamentally challenging every aspect of a business – operations, logistics, engagement with customers and generating revenue all whilst protecting costs. The pandemic accelerated the way we live and work, forcing many companies to re-think their business models. What we know now is that the world will never return to pre-pandemic life and that a life of disruption is here to stay. No longer is being agile or adaptable a desired skill, it is now essential.

As businesses are thinking through the new world of hybrid working and shifts in people and customer demands, leaders are expected to evolve alongside their organizations. Whilst managing one's well-being is important to maintain resilience during on-going uncertainty, there is also a need to evolve one's thinking. Many leaders are wondering how they can keep up with, and respond to, a vastly different and ever-changing context. One way for leaders to succeed is by letting go of a need for expertise, and instead apply an 'Adaptive Mindset' to inform their decisions. An Adaptive Mindset is about seeking out new contextual information in the present to anticipate the future, and consequently, generate new ideas or opportunities to pursue. Adaptive decisions apply a learning approach, to enable confidence in making decisions when the context is changing. This sounds straightforward but it requires conscious changes – here are three shifts you can apply to your thinking process:

ADAPTIVE THINKING IS HARD

It requires you to challenge and let go of existing judgments that are no longer relevant to the current context. To make our daily lives easier, our brains take a lot of mental short cuts which results in us over-valuing information that confirms our hypothesis and undervaluing information that is contrary to our view. It is easy for us to become wedded to our existing strategy when our brain focuses on the data to reinforce our original thinking. It is much harder to direct our attention to new data or different opinions that suggest we need to adapt to our changing context. It demands an intentional focus to seek out different data and alternative ideas.



Leadership Tip

To develop an Adaptive Mindset, you need to dedicate time to scan what is going on externally in the world, and then to stand back to evaluate how that differs with your 'internal' world view. It requires you have the courage to challenge your previous convictions and be open to evaluate whether your goal or strategy is still relevant for the future. Leaders with Adaptive Mindsets are able to let go of their past decision-making assumptions, to envisage future opportunities. The current context of ongoing uncertainty makes it harder to let go of our past assumptions. In the absence of clear insights into how customers will behave or what government policies will be put in place, it is easy to hold on to our previous data sets. Consider some of the macro changes you are seeing in the media or personally experiencing in your own life. Use these inputs to create new hypotheses about the future.

2 ADAPTIVE MINDSET IS MORE THAN A THINKING PROCESS

Challenging our thinking requires us to connect with our emotions. To identify the need for change, leaders need to recognize how they feel about a change. It is easier to pretend that decision making is purely rational, than to acknowledge any emotional attachments that may prevent a shift in thinking. And yet, we know from neuroscientific research, that our thoughts and emotions are intertwined. It is a natural human response to feel some resistance to change. In fact, the discomfort we feel on encountering a need for change has an evolutionary role. It is designed to motivate us to learn a new behavior to overcome the pain of the current situation and move into the future. We often interpret this uneasiness as a stop signal to avoid something when it is meant to push us out of our comfort zone to adapt.



Leadership Tip

Our emotional response happens within milliseconds, so it is difficult to notice how it influences our thinking. To make adaptive decisions, leaders need to create space to step back and consider:

- How do you feel about the change that has ensued from the pandemic?
- If you are feeling any negative emotions, what have you lost (personally or as an organization) from pre-Covid life?
- If you are feeling positive emotions, where do you see an opportunity? What would give you courage to act on that opportunity and create a new future?

By recognizing our emotions, we can acknowledge what we are missing from our past, or what we fear we have lost in the change - which frees us up to create new possibilities for the future to meet the underlying need or new ways to create value.

3 ADAPTIVE MINDSET IS HARD TO DO ALONE

Whilst an Adaptive Mindset puts a spotlight on our internal thoughts and feelings, it also requires us to assimilate external perspectives into our thinking. To adapt your thinking, you must seek out difference. Staying open to other people's opinions and ways of viewing the world that is different to your own, provides broader input to your ability to see new possibilities in the future.



Leadership Tip

To seek out difference, you need to create a psychologically safe environment for others to bring their thinking and share their working assumptions. Bring new people into your decision making as they will not have the attachment that your team has to your current plan or priorities. Ensure your team has a mix of people who project their mind into the future, and those who are identifying what needs to happen in the present to move to that future. Leaders will need to face into what is not known for some time to come. They need to make a conscious choice, to ensure their decision making is no longer reacting to the change in context but responding to ongoing change.

Leaders who have the courage to challenge their assumptions, seek out difference of opinion and create space to hypothesize about future possibilities, will adapt and keep moving forward.

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